

Message Text

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ACTION ARA-10

INFO OCT-01 EUR-12 IO-13 ISO-00 ACDA-07 CIAE-00 INR-07
L-03 NSAE-00 NSC-05 EB-08 NRC-05 OES-06 FEAE-00
DODE-00 AID-05 TRSE-00 OMB-01 USIE-00 PM-04 H-01
PA-01 PRS-01 SP-02 SS-15 SSO-00 NSCE-00 INRE-00
ARAE-00 /107 W

-----031420 002915 /40

O R 031025Z MAR 77
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC IMMEDIATE 9392
INFO ERDA HQ WASHDC
ERDA HQ GERMANTOWN
AMEMBASSY BRASILIA IMMEDIATE
AMEMBASSY OTTAWA
AMEMBASSY BONN
AMEMBASSY ROME
USMISSION IAEA VIENNA
USMISSION EC BRUSSELS

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E.O. 11652: N/A
TAGS: TECH, PARM, AR, CA
SUBJECT: LATEST DEVELOPMENTS IN CANADA - ARGENTINA NUCLEAR
COOPERATION

REF: (A) BUENOS AIRES 1117, (B) BUENOS AIRES 1390

1. ROSS CAMPBELL AND JOHN FOSTER OF AECL MANAGEMENT VISITED BUENOS AIRES FEB. 17-20 AND PARTICIPATED IN SIGNING OF REVISED CONTRACT FOR CONSTRUCTION OF EMBALSE NUCLEAR POWER STATION. ACCORDING TO PRESS REPORTS, BY THIS ACTION CANADIANS HAVE CUT THEIR LOSSES ON THIS PROJECT TO SOME \$40 MILLION AND ITIAMPANTI WOULD LOSE A LIKE AMOUNT. CONCERNING THE \$2.5 MILLION "COMMISSION" PAYMENT (REFTEL A) INCREASING OFF THE RECORD SPECULATION IS THAT IT MIGHT
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HAVE BEEN POCKETED BY ITALIMPIANTI. SAFEGUARDS WAS NOT A FACTOR IN THIS RENEGOTIATION, THAT MATTER HAVING BEEN DECIDED PREVIOUSLY.

2. SAFEGUARDS APPARENTLY WAS A FACTOR, HOWEVER, IN FURTHER NEGOTIATIONS OF THE RELATED TECHNOLOGY TRANSFER AGREEMENT WHICH TOOK PLACE AT THE SAME TIME AND DID RESULT IN THE SIGNING OF AN ADDITIONAL UNDERSTANDING BETWEEN CANADA AND ARGENTINA. AS WE UNDERSTAND IT,

CANADIANS ARE INSISTING THAT TECHNOLOGY TRANSFERRED UNDER THIS AGREEMENT (PRIMARILY CANDU REACTOR TECHNOLOGY, WHICH WOULD BE APPLICABLE TO FOLLOW-ON PLANTS) BE SUBMITTED TO SAFEGUARDS BY IAEA. WE UNDERSTAND THAT ARGENTINES ARE QUITE PERTURBED ABOUT THIS DEVELOPMENT. APPARENTLY, THOUGH, AS CAMPBELL TOLD US (REFTEL B), CANADIANS ARE NOT RPT NOT INSISTING ON NPT ADHERENCE OR FULL SCOPE SAFEGUARDS WITH EITHER EMBALSE OR TECH. TRANSFER AGREEMENT AS BOTH PREDATED NEW POLICY.

3. NEW CANADIAN POLICY WOULD, HOWEVER, APPLY TO FUTURE AGREEMENTS, INCLUDING ATUCHA 2 REACTOR. AECL, UNDERSTANDABLY, IS NOT TOO PLEASED WITH POLICY AND FEELS CANADA IS WAY OUT IN FRONT OF REST OF SUPPLIERS WITH IT. ARGENTINES ARE DEEPLY INVOLVED IN ALL ASPECTS OF EMBALSE PROJECT, E.G. CNEA WILL SERVE AS THE CONTRACTOR OF AECL FOR THE PLANT ERECTION. BOTH CNEA AND AECL EXPECT THAT CNEA WILL ASSUME MOST OF THE RESPONSIBILITY FOR ATUCHA 2, WITH ONLY MINOR ADVISORY ROLE FOR AECL.
HILL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, VISITS, CONTRACTS, NUCLEAR POWER PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
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Format: TEL
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Handling Restrictions: n/a
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ISecure: 1
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Litigation Codes:
Litigation History:
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